



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

May 8, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on May 8th, 2019:

H.B. 2671 animal cruelty; domestic animals; classification (Kavanagh)
S.B. 1019 TPT; over the top (S. Allen)
S.B. 1038 Arizona pioneers' home; regulation (Brophy-McGee)
S.B. 1071 school districts; personnel evaluations (Boyer)
S.B. 1079 ASRS; long-term disability program (Livingston)
S.B. 1084 funeral; last illness; expenses; lien (Borrelli)
S.B. 1085 association health plans; definitions; requirements (Brophy-McGee)
S.B. 1086 health professions; temporary licensure (Brophy-McGee)
S.B. 1100 insurance; living organ donors (Carter)
S.B. 1144 racetracks; ejection; exclusion; process (D. Farnsworth)
S.B. 1318 schools; training; screening; dyslexia (Boyer)
S.B. 1468 schools; suicide prevention training (Bowie)
S.B. 1531 HOAs; costs; assessments (D. Farnsworth)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed Senate Bill

FILED

KATIE HOBBS

SECRETARY OF STATE

State of Arizona

Senate

Fifty-fourth Legislature

First Regular Session

2019

CHAPTER 197

SENATE BILL 1144

AN ACT

AMENDING SECTION 5-113, ARIZONA REVISED STATUTES; AMENDING TITLE 5, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-117; APPROPRIATING MONIES; RELATING TO HORSE RACING.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-113, Arizona Revised Statutes, is amended to
3 read:

4 5-113. Disposition of revenues and monies; funds; committee

5 A. All revenues derived from permittees, permits and licenses as
6 provided by this article shall be deposited, pursuant to sections 35-146
7 and 35-147, in the racing regulation fund established by section 5-113.01.
8 The commission shall further allocate all monies deposited in the Arizona
9 breeders' award fund pursuant to this subsection to support incentives as
10 authorized by subsection F of this section for thoroughbred and quarter
11 horse breeds only.

12 B. The Arizona county fairs racing betterment fund is established
13 under the jurisdiction of the department. The department shall distribute
14 monies from the fund to the county fair association or county fair racing
15 association of each county conducting a county fair racing meeting in a
16 proportion that the department deems necessary for the promotion and
17 betterment of county fair racing meetings. All expenditures from the fund
18 shall be made on claims approved by the department. In order to be
19 eligible for distributions from the fund, a county fair association must
20 provide the department with an annual certification in the form required
21 by the department supporting expenditures made from the fund. Balances
22 remaining in the fund at the end of a fiscal year do not revert to the
23 state general fund.

24 C. The county fairs livestock and agriculture promotion fund is
25 established under the control of the governor and shall be used for the
26 purpose of promoting the livestock and agricultural resources of the state
27 and for the purpose of conducting an annual Arizona national livestock
28 fair by the Arizona exposition and state fair board to further promote
29 livestock resources. The direct expenses less receipts of the livestock
30 fair shall be paid from this fund, but this payment shall not exceed
31 thirty percent of the receipts of the fund for the preceding fiscal year.
32 Balances remaining in the fund at the end of a fiscal year do not revert
33 to the state general fund. All expenditures from the fund shall be made
34 on claims approved by the governor, as recommended by the livestock and
35 agriculture committee, for the promotion and betterment of the livestock
36 and agricultural resources of this state. The livestock and agriculture
37 committee is established and shall be composed of the following members,
38 at least three of whom are from counties that have a population of less
39 than five hundred thousand persons, appointed by the governor:

- 40 1. Three members representing county fairs.
- 41 2. One member representing Arizona livestock fairs.
- 42 3. One member representing the university of Arizona college of
43 agriculture.
- 44 4. One member representing the livestock industry.

- 1 5. One member representing the farming industry.
- 2 6. One member representing the governor's office.
- 3 7. One member representing the Arizona state fair conducted by the
- 4 Arizona exposition and state fair board.
- 5 8. One member representing the general public.
- 6 D. The governor shall appoint a chairman from the members. Terms
- 7 of members shall be four years.
- 8 E. Members of the committee are not eligible to receive
- 9 compensation but are eligible to receive reimbursement for expenses
- 10 pursuant to title 38, chapter 4, article 2.
- 11 F. The Arizona breeders' award fund is established under the
- 12 jurisdiction of the department. The department shall distribute monies
- 13 from the fund to the breeder, or the breeder's heirs, devisees or
- 14 successors, of every winning horse or greyhound foaled or whelped in this
- 15 state, as defined by section 5-114, in a manner and in an amount
- 16 established by rules of the commission to protect the integrity of the
- 17 racing industry and promote, improve and advance the quality of race horse
- 18 and greyhound breeding within this state. The department may contract
- 19 with a breeders' association to provide data, statistics and other
- 20 information necessary to enable the department to carry out the purposes
- 21 of this subsection. Persons who are not eligible to be licensed under
- 22 section 5-107.01 or persons who have been refused licenses under section
- 23 5-108 are not eligible to participate in the Arizona greyhound breeders'
- 24 award fund. Balances remaining in the fund at the end of a fiscal year do
- 25 not revert to the state general fund. For the purposes of this
- 26 subsection, "breeder" means the owner or lessee of the dam of the animal
- 27 at the time the animal was foaled or whelped.
- 28 G. The Arizona stallion award fund is established under the
- 29 jurisdiction of the department to promote, improve and advance the quality
- 30 of stallions in this state. The department shall distribute monies from
- 31 the fund to the owner or lessee, or the owner's or lessee's heirs,
- 32 devisees or successors, of every Arizona stallion whose certified Arizona
- 33 bred offspring, as prescribed in section 5-114, finishes first, second or
- 34 third in an eligible race in this state. The department may contract with
- 35 a breeders' association to provide data, statistics and other information
- 36 necessary to enable the department to carry out the purposes of this
- 37 subsection. Balances remaining in the fund at the end of a fiscal year do
- 38 not revert to the state general fund. The commission shall adopt rules
- 39 pursuant to title 41, chapter 6 to carry out the purposes of this
- 40 subsection. The rules shall prescribe at a minimum:
- 41 1. The manner and procedure for distribution from the fund,
- 42 including eligibility requirements for owners and lessees.
- 43 2. Subject to availability of monies in the fund, the amount to be
- 44 awarded.

1 3. The requirements for a stallion registered with the jockey club,
2 Lexington, Kentucky or with the American quarter horse association,
3 Amarillo, Texas to be certified as an Arizona stallion.

4 4. The types and requirements of races for which an award may be
5 made.

6 H. The retired racehorse adoption fund is established. The
7 department shall administer the fund. All revenues derived from retired
8 racehorse adoption surcharges collected pursuant to section 5-104,
9 subsection G shall be deposited, pursuant to sections 35-146 and 35-147,
10 in the fund. THE FUND ALSO CONSISTS OF ANY MONIES CONTRIBUTED TO THE FUND
11 BY A NONPROFIT ORGANIZATION PURSUANT TO SUBSECTION K OF THIS SECTION. The
12 department shall distribute monies from the fund to provide financial
13 assistance to nonprofit enterprises approved by the commission to promote
14 the adoption of retired racehorses pursuant to section 5-104, subsection G
15 in a manner and in an amount established by rules of the commission.
16 Balances remaining in the fund at the end of a fiscal year do not revert
17 to the state general fund.

18 I. The county fair racing fund is established. The department
19 shall administer the fund. Monies in the fund are continuously
20 appropriated. The department shall use fund monies for the administration
21 of county fair racing. Any monies remaining unspent in the fund at the
22 end of the fiscal year in excess of ~~seventy-five thousand dollars~~ \$75,000
23 shall revert to the state general fund.

24 J. The agricultural consulting and training trust fund is
25 established for the exclusive purpose of implementing, continuing and
26 supporting the agricultural consulting and training program established by
27 section 3-109.01. The director of the Arizona department of agriculture
28 shall administer the trust fund as trustee. The state treasurer shall
29 accept, separately account for and hold in trust any monies deposited in
30 the state treasury, which are considered to be trust monies as defined in
31 section 35-310 and which shall not be commingled with any other monies in
32 the state treasury except for investment purposes. On notice from the
33 director, the state treasurer shall invest and divest any trust fund
34 monies deposited in the state treasury as provided by sections 35-313 and
35 35-314.03, and monies earned from investment shall be credited to the
36 trust fund. The beneficiary of the trust is the agricultural consulting
37 and training program established by section 3-109.01. Surplus monies,
38 including balances remaining in the trust fund at the end of a fiscal
39 year, do not revert to the state general fund.

40 K. ONE PERCENT OF THE IN-STATE HANDLE, NONE OF WHICH SHALL COME
41 FROM THE AMOUNT PAID TO BETTORS, SHALL BE ALLOCATED TO THE DEPARTMENT ON A
42 MONTHLY BASIS FOR DISTRIBUTION TO A NONPROFIT ORGANIZATION THAT REPRESENTS
43 A MAJORITY OF THE HORSE BREEDERS IN THIS STATE, THAT MAINTAINS A FINANCIAL
44 BOND AND THAT HAS PREVIOUSLY CONTRACTED WITH THE DEPARTMENT TO PROVIDE
45 DATA, STATISTICS AND OTHER INFORMATION. THE NONPROFIT ORGANIZATION THAT

1 RECEIVES MONIES PURSUANT TO THIS SUBSECTION SHALL ESTABLISH A SEPARATE
2 FUND FOR THE RECEIPT OF THESE MONIES THAT SHALL BE DESIGNATED AS THE
3 ARIZONA HORSE BREEDERS' FUND. THE NONPROFIT ORGANIZATION SHALL ADD MONIES
4 TO PURSES AND PROVIDE PURSE AWARDS FOR THE ARIZONA BRED HORSES THAT FINISH
5 IN FIRST, SECOND OR THIRD PLACE IN RACES HELD IN THIS STATE, PROVIDE
6 AWARDS TO THE BREEDERS, OWNERS OR LESSEES OR THE BREEDERS', OWNERS' OR
7 LESSEES' HEIRS, DEVISEES OR SUCCESSORS, OF THE DAMS AND SIRES WHOSE
8 CERTIFIED ARIZONA BRED OFFSPRING FINISH IN FIRST, SECOND OR THIRD PLACE IN
9 RACES HELD IN THIS STATE AND CONTRIBUTE NOT MORE THAN \$25,000 OF THESE
10 MONIES EACH YEAR TO THE RETIRED RACEHORSE ADOPTION FUND ESTABLISHED BY
11 SUBSECTION H OF THIS SECTION. THE NONPROFIT ORGANIZATION MAY SPEND A
12 PORTION OF THESE MONIES FOR ADMINISTRATIVE COSTS. FOR THE PURPOSES OF
13 THIS SUBSECTION, THE BREEDER OF A THOROUGHBRED HORSE SHALL BE CONSIDERED
14 THE OWNER OF THE BROODMARE AT THE TIME THAT THE FOAL IS DROPPED. THE
15 NONPROFIT ORGANIZATION SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR, THE
16 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
17 THAT PROVIDES A DETAILED SUMMARY OF THE MONIES DISTRIBUTED PURSUANT TO
18 THIS SUBSECTION, INCLUDING THE AMOUNT SPENT FOR ADMINISTRATIVE COSTS. THE
19 NONPROFIT ORGANIZATION SHALL PROVIDE A COPY OF THIS REPORT TO THE
20 COMMISSION AND THE SECRETARY OF STATE. FOR THE PURPOSES OF THIS
21 SUBSECTION, "IN-STATE HANDLE" MEANS THE TOTAL AMOUNT OF MONIES CONTRIBUTED
22 ON LIVE RACES IN THIS STATE TO ALL PARI-MUTUEL POOLS BY BETTORS PLUS THE
23 TOTAL AMOUNT OF MONIES CONTRIBUTED BY BETTORS IN THIS STATE ON SIMULCAST
24 RACES THAT ORIGINATE OUTSIDE THIS STATE.

25 Sec. 2. Title 5, chapter 1, article 1, Arizona Revised Statutes, is
26 amended by adding section 5-117, to read:

27 5-117. Ejection or exclusion from racing meeting or racetrack
28 enclosure; due process; rules

29 A. ANY PERSON WHO IS LICENSED PURSUANT TO THIS CHAPTER MAY BE
30 EJECTED OR EXCLUDED FROM ANY RACING MEETING OR RACETRACK ENCLOSURE IN THIS
31 STATE OR ANY PORTION OF A RACING MEETING OR PORTION OF A RACETRACK
32 ENCLOSURE IN THIS STATE IF THE TRACK STEWARDS ISSUE A RULING THAT THE
33 PERSON'S PARTICIPATION IN THE RACING MEETING OR PRESENCE AT THE RACETRACK
34 ENCLOSURE IS DETRIMENTAL TO THE INTEGRITY OF HORSE RACING OR WOULD
35 INTERFERE WITH THE ORDERLY CONDUCT OF HORSE RACING. A LICENSEE MAY APPEAL
36 THE RULING TO THE DIRECTOR WITHIN FIVE DAYS.

37 B. IF THE DIRECTOR DETERMINES THAT THE PERSON'S PARTICIPATION IN
38 THE RACING MEETING OR PRESENCE AT THE RACETRACK ENCLOSURE IS DETRIMENTAL
39 TO THE INTEGRITY OF HORSE RACING OR WOULD INTERFERE WITH THE ORDERLY
40 CONDUCT OF HORSE RACING, THE EJECTION OR EXCLUSION SHALL REMAIN IN EFFECT.
41 THE DIRECTOR SHALL MAKE A DETERMINATION WITHIN THREE DAYS AFTER THE APPEAL
42 IS FILED. ANY PARTY MAY APPEAL THE DETERMINATION TO THE COMMISSION WITHIN
43 FIVE DAYS.

44 C. IF THE COMMISSION DETERMINES BY MAJORITY VOTE IN A PUBLIC
45 MEETING THAT THE PERSON'S PARTICIPATION IN THE RACING MEETING OR PRESENCE

1 AT THE RACETRACK ENCLOSURE IS DETRIMENTAL TO THE INTEGRITY OF HORSE RACING
2 OR WOULD INTERFERE WITH THE ORDERLY CONDUCT OF HORSE RACING, THE EJECTION
3 OR EXCLUSION SHALL REMAIN IN EFFECT. THE COMMISSION SHALL MAKE A
4 DETERMINATION WITHIN SEVEN DAYS AFTER THE APPEAL IS FILED. IF THE
5 COMMISSION MAKES A DETERMINATION IN FAVOR OF THE LICENSEE, THE LICENSEE
6 MAY RETURN TO THE RACE MEETING OR RACETRACK ENCLOSURE.

7 D. THE COMMISSION SHALL ADOPT RULES TO CARRY OUT THE PURPOSES OF
8 THIS SECTION. THE RULES SHALL INCLUDE PROCEDURES TO ENSURE THE DUE
9 PROCESS AND PROPERTY RIGHTS OF ALL PARTIES THAT ARE INVOLVED IN A
10 DETERMINATION CONDUCTED PURSUANT TO THIS SECTION, A HEARING CONDUCTED
11 PURSUANT TO THIS SECTION OR AN ADMINISTRATIVE REVIEW CONDUCTED PURSUANT TO
12 TITLE 41, CHAPTER 6, ARTICLE 10.

13 Sec. 3. Phase-in of in-state handle allocation; definition

14 A. Notwithstanding section 5-113, subsection K, Arizona Revised
15 Statutes, as added by this act, the amount of in-state handle allocated to
16 the department of gaming pursuant to section 5-113, subsection K, Arizona
17 Revised Statutes, as added by this act, shall be as follows:

18 1. For fiscal year 2019-2020, thirty-four percent of the monies
19 that would otherwise be allocated pursuant to section 5-113, subsection K,
20 Arizona Revised Statutes, as added by this act.

21 2. For fiscal year 2020-2021, sixty-seven percent of the monies
22 that would otherwise be allocated pursuant to section 5-113, subsection K,
23 Arizona Revised Statutes, as added by this act.

24 3. For fiscal year 2021-2022 and each fiscal year thereafter, the
25 monies shall be allocated as prescribed in section 5-113, subsection K,
26 Arizona Revised Statutes, as added by this act.

27 B. For the purposes of this section, "in-state handle" has the same
28 meaning prescribed in section 5-113, subsection K, Arizona Revised
29 Statutes, as added by this act.

APPROVED BY THE GOVERNOR MAY 8, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2019.

Passed the House April 30, 2019,

by the following vote: 53 Ayes,

6 Nays, 1 Not Voting

McR. Brown
Speaker of the House
Pro Tempore

Gini Dunne
Chief Clerk of the House

Passed the Senate February 28, 2019,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Karen Fann
President of the Senate

Susan Owens
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR~~

~~This Bill was received by the Governor this~~

~~_____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary to the Governor~~

~~Approved this _____ day of~~

~~_____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Governor of Arizona~~

S.B. 1144

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE~~

~~This Bill was received by the Secretary of State~~

~~this _____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary of State~~

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 2, 2019

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Karen Farn
President of the Senate

Susan Arnes
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

2nd day of May, 2019

at 12:18 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 8th day of

May 2019

at 3:28 o'clock P M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 8 day of May, 2019

at 4:30 o'clock P. M.

[Signature]
Secretary of State

S.B. 1144